GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2913
ANSWERED ON:17.12.2004
NABARD REFINANCE
Thakkar Smt. Jayaben B.

Will the Minister of FINANCE be pleased to state:

(a) whether NABARD refinance against short term (Seasonal Agricultural Operations) is than 10% on average during the last four years; and

(b) if so, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANTMANICKAM)

(a) & (b) NABARD provides refinance for Short Term(Seasonal Agricultural Operation)- ST(SAO) purpose tu Cooperative banks(ST Structure) and Regional Rural Banks (RRBs). The shares of ST-SAO refinance from NABARD (maximum outstanding against limits I sanctioned) vis-a-vis ground level disbursements by cooperative banks and RRBs are indicated below:-

Cooperative Banks

(Rs. in crores)

Year	Ground level disbursement	Limit sanctioned	Limit utilized	% of Col. (4)to(2)
2000-01	16583	6507.51	5176	31
2001-02	18828	6546.93	5447	29
2002-03	19707	6746.67	5420	27
2003-04	22697	7314.28	5361	24

Regional Rural Banks

(Rs. in crores)

Year	Ground level disbursement	Limit sanctioned	Limit utilized	%of Col.(4)to(2)
2000-01	3245	1115.95	1058	32
2001-02	3777	1192.13	1114	29
2002-03	4775	1252.36	1093	23

2003-04	6088	1346.62	937	15

NABARD refinance for ST(SAO) to Coop. Banks varied between 24% lo 31% during the last four years, whereas refinance to RRBs ranged between 15% to 32%. The main reasons for the downward trend observed in the utilization of NABARD refinance was due to the comfortable liquidity position at RRBs level resulting in their not depending on NABARD refinance for the purpose of crop loan to farmers. It ;may be observed that during 2003-04, only 70% of the limits sanctioned were drawn by RRBs. To ensure an equitable distribution of SAO refinance and to provide flexibility in operation to State Coop. Banks, NABARD has since revised ST(SAO) policy from 2004-05. As per revised policy consolidated limits are being sanctioned tlirough SCBs in respect of eligible District Central Co-operative Banks (DCCBs) to the extent of 30% or 20% of their loan outstanding against Primary Agricultural Credit Societies(PACs) depending upon the involvement of SCBs. These measures are expected to further increase the share of NABARD refinance in ground level loans.